



**LOUISIANA**  
Office of  
**COMMUNITY  
DEVELOPMENT**

**Notice of Funding Availability  
CDBG Homeownership Pilot Program (OCHO)**

RESPONSES DUE BY:

**2:00 PM Friday January 14, 2022**

*(late submissions will not be accepted)*

SUBMIT PHYSICAL COPIES TO:

Division of Administration

Louisiana Office of Community Development

617 N. Third Street, 6<sup>th</sup> Floor

Baton Rouge, LA 70802

ATTN: OCHO Housing Manager

SUBMIT WRITTEN INQUIRIES/ REQUESTS FOR BUILDING PLANS TO:

[housing.inquiries.ocho@LA.GOV](mailto:housing.inquiries.ocho@LA.GOV)

POSTED DATE:

Wednesday December 15, 2021

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## A. Program Overview

### 1. Program Summary

The Louisiana Office of Community Development (OCD) has established the ***OCD CDBG Homeownership Pilot Program (OCHO)*** which will provide affordable housing opportunities in Pointe Coupee Parish. The goal of the program is to develop approximately 20 affordable homes in a new resilient community called Audubon Estates. A project of the Restore Louisiana Homeowner Assistance Program's (RLHAP) Solution 4, Audubon Estates is located on 22.5 acres of land located in Pointe Coupee Parish, outside of the 100-year floodplain. The site includes a total of forty (40) residential lots. The Louisiana Land Trust (LLT) is developing approximately 20 of those sites into homes for former residents of the Pecan Acres neighborhood who decided to move together to Audubon Estates after experiencing decades of persistent severe flooding in their community. Under the OCHO Program, as approved by HUD in the State of Louisiana Substantial Action Plan Amendment Number 16 for the Utilization of CDBG-DR Funds in Response to the Great Floods of 2016, the additional lots will be used to provide newly constructed housing units for occupancy by low-to-moderate income households.

Through issuance of this Notice of Funding Availability (NOFA), OCD will select a single applicant to build homes on up to twenty (20) residential lots. The LLT will transfer the pad-ready lots to the Awardee and OCD will provide CDBG-DR funding to cover up to 100% of home construction. Applicants are encouraged to leverage other sources to fund construction. The awarded applicant will then sell those homes to qualified home buyers earning below 80% of area median income (AMI), under the terms as allowed by the Program described below.

If the homes cannot be sold to qualified homebuyers after required steps are met, OCD may approve the Awardee's continued ownership of the unsold units for rental by a Low-to-Moderate Income (LMI) households, at such rates approved by state. Any rental units would be subject to a 35-year affordability period to maintain affordability to LMI renters unless or until sold under the affordable homeowner program requirements of this OCHO Program.

The OCHO Program allows the State to reinvest funds generated from the sale or rental of the developed housing units to support additional affordable homeownership opportunities and related services, subject to any applicable program income requirements of CDBG-DR programs. The applicant will present a reinvestment plan wherein the use of program proceeds expands affordable housing for LMI households or is used to provide other community services for low- and moderate-income individuals. Further, OCD may develop, in cooperation with HUD, a mechanism to allow the Awardee to retain net proceeds for reinvestment purposes if appropriate waivers are issued. There is no guarantee that any or all of the program income funds will be invested and OCD retains the right to demand repayment of all or a portion of the proceeds upon disposition of the homes.

## 2. Program Authority

The Community Development Block Grant-Disaster Recovery (CDBG-DR) funds for the OCHO Program are approved by HUD under the State's Substantial Action Plan Amendment Number 16 for the *Utilization of CDBG-DR Funds in Response to the Great Floods of 2016*. The CDBG-DR funds are part of the allocation to the State of Louisiana under Public Law 114-223 as a result of the 2016 Severe Storms and Flooding. The guiding authorization for the Program is based on the Federal Register Notices (FR-5989-N-01, FR-6012-N-01 and FR-6039-N-01, FR-6136-N-01) for the allocation and applicable waivers. The CDBG-DR funds follow the core guidance as authorized by Title I of the Housing and Community Development Act of 1974.

## 3. Timeline and Submission Guidelines

OCD anticipates following the schedule below in the implementation of this program but reserves the right to change this timeline as needed.

<b>Date of NOFA Issuance:</b>	Wednesday, December 15, 2021
<b>Deadline to Submit Written NOFA Inquiries:</b>	Wednesday, December 29, 2021
<b>OCD Response to Written Inquiries:</b>	Friday, January 7, 2022
<b>Non-mandatory Pre-proposal Meeting via Zoom (IF OCD determines necessary):</b>	TBD: Check NOFA link for Notice
<b>Application Deadline:</b>	2:00 PM Friday, January 14, 2022
<b>OCD Award Letter Issued:</b>	Friday, January 28, 2022
<b>Grant Agreement Execution:</b>	Friday, February 18, 2022
<b>Construction completion deadline:</b>	Monday, November 7, 2022
<b>Deadline to sell or rent to a qualified household:</b>	Monday, March 6, 2023

All inquiries and questions are to be addressed to [housing.inquiries.ocd@la.gov](mailto:housing.inquiries.ocd@la.gov).

**Four copies of the applicant's response must be received in hard copy (printed) version on or before 2:00 PM Friday, January 14, 2022. Fax, mail or e-mail submissions will not be accepted.**

**NOTE: HARD COPIES OF RESPONSES MUST BE DELIVERED DURING OFFICE HOURS: 8 AM to 4:30 PM.**

*Please be aware of the security requirements for the building and allow time to be photographed and presented with a temporary identification badge upon entry. It is solely the responsibility of each Applicant to ensure that their response is delivered prior to the deadline for submission. Responses received after the deadline will not be considered. OCD is not responsible for any delays caused by the Applicant's chosen means of delivery. Applicants are hereby advised that the U.S. Postal Service does not make deliveries to OCD's physical location.*

## **Submission format**

Applicants' response should be formatted as follows:

- 8 ½" x 11" letter format, bound or in binder
- Tabs separating each section outlined below

### **I. Cover page**

- a. Application Name: CDBG Homeownership Pilot Program (OCHO)
- b. Organization name, website, contact information, physical location, and mailing address
- c. Point of contact with phone number and email address
- d. Contractor's license number as described in Section D.4, "Eligible applicants", below.

### **II. Cover letter**

- a. Expression of interest and intent to perform all the duties as described in this Notice of Funding Availability.

### **III. Organizational experience and performance history**

In this section, the applicant will provide details on completed projects demonstrating the organization's success in the development and sale of affordable housing and homebuyer training.

- a. For each project, the applicant should include:
  - i. The address of the completed project
  - ii. The year the project was completed
  - iii. The total number of units and the number of affordable units developed
  - iv. The level of affordability (% AMI of buyers eligible to purchase the homes)
  - v. The organization's personnel who worked on the project
  - vi. The amount and source of federal funds used in the project, if any
  - vii. A reference of a client or partner involved in the project
  - viii. Images of the completed project

### **IV. Personnel qualifications**

In this section, the applicant will provide the resumes and work experience of each of the proposed individuals that will support the delivery this project.

- a. For each proposed individual, the applicant should include:
  - i. Years of experience with organization
  - ii. Years of experience developing affordable housing, providing housing counseling services, or other relevant experience
  - iii. Proposed role on this project
  - iv. Previously completed projects and role on each project
  - v. Prior relevant experience
  - vi. Formal education, professional training and certifications, and other relevant experience

V. **Proposed budget and schedule**

In this section, applicants will provide a detailed development budget and schedule detailing how the applicant will implement the development project. For the budget, applicant should include a detailed sources and uses table for all proposed funding, including both OCD funds and any additional investment, including in-kind support, and estimated program income. For the project schedule, applicant should show a week-by-week or month-by-month detail of the major actions to be taken by the applicant, partners, and Grantor, in the implementation, and should clearly show the construction time period, marketing period, when sales will begin and when they will be completed. The schedule shall include any proposed phasing for the development project.

VI. **Resilient and sustainable construction methods and materials**

In this section, the applicant will detail any proposed additional construction methods, materials, or amenities, beyond the minimum required construction standards, that reduce the home's operating costs, utility costs, environmental impact, or increase its disaster resilience. For each building material or feature, the applicant will include example product images or design drawings, any technical or industry certification, the benefits of the element and any additional cost related to using each element.

VII. **Community benefits and amenities**

The applicant will detail any proposed actions to provide additional community amenities and benefits through this project and the potential investment of program income. In each case, the application will include the details demonstrate its ability to deliver these activities and the specific proposed activities such as opportunities for workforce training, a community facility as part of the development, and/or other similar benefits to be provided through OCD's investment in these affordable housing units. In addition, the applicant will include a proposed reinvestment plan for anticipated program income.

## B. Definitions

**Applicant:** An eligible non-profit entity that has applied to OCD for an award of CDBG-DR funding under this NOFA.

**Awardee:** An eligible non-profit entity that been selected by OCD to receive the OCHO Pilot Program award.

**Grantor:** State of Louisiana, Office of Community Development, referred to interchangeably as “OCD.”

**CDBG-DR:** The Department of Housing and Urban Development (HUD)’s Community Development Block Grant Disaster Recovery program established by the applicable appropriations statute to assist the recovery of communities impacted by disasters.

**Cooperative Endeavor Agreement:** A subrecipient grant agreement entered into between Grantor and Awardee setting forth the terms and conditions of an award of CDBG-DR funds for the purpose of funding and carrying out CDBG-DR-eligible activities on one or more CDBG-DR-eligible properties.

**CDBG-DR Funded Home:** A home that has been constructed with CDBG-DR funds awarded through this NOFA that is being sold to an eligible owner-occupant or rented as per terms of the agreement.

**Developer:** Term may be used to refer to Awardee.

**Homebuyer:** An individual and/or household that has applied for and/or been approved to receive homebuyer assistance or subsidy.

**Income:** Must use one of the following income definitions for all income determinations under OCHO: annual income as defined at 24 CFR 5.609; or adjusted gross income for household members as defined for purposes of reporting under the IRS Form 1040 series for individual Federal annual income tax purposes.

**Program Budget:** The budget attached to the Cooperative Endeavor Agreement showing projected construction and delivery costs for Awardee’s entire project.

**Program Income:** Income generated by a grant supported activity as defined and described in [2 CFR 570.489\(e\)](#).

## C. Affirmatively Furthering Fair Housing

Affirmatively Furthering Fair Housing (AFFH) means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all activities carried out by a program participant relating to housing and urban development.

## D. Program Elements and Requirements

### 1. General Responsibilities

Respective responsibilities of Awardee and Grantor are as follows:

- i. Awardee shall be responsible for preparing program policies and procedures, final plans, construction documents, and specifications (or work write-ups) that conform to program construction standards, estimating construction costs, managing contract awards, and managing the construction process. Awardee will use existing plans from Grantor to develop final plans and construction drawings for 2-, 3-, and 4-bedroom homes that fit within the context of the Audubon Estates development. Awardee will submit monthly draw requests and justify change orders if necessary. Awardee will provide 3<sup>rd</sup> party inspections with each draw request and final inspection from local permitting authority in the delivery of completed homes ready for occupancy. Awardee assumes all risks of cost overruns in excess of the construction and contingency budget line item in the previously approved Program Budget, unless Grantor approves a change order and revised Program Budget. Awardee is further responsible for marketing constructed homes, qualifying LMI buyers, and coordinating the sale/closing of home(s). Awardee is responsible for other requirements including reporting and facilitation of homebuyer training and/or counseling. Awardee will be responsible for preparing, recording, and servicing “soft second” forgivable loans as seller-financing, where applicable, to make homes affordable to qualifying homebuyers. Awardee will be responsible for preparing, adopting, and following detailed policies and procedures specific to this program, which shall be subject to review and approval by Grantor.
- ii. Grantor is responsible for approval of projects, providing and interpreting Construction Standards; approving plans, specifications and estimates for construction; monitoring the work; approving Awardee’s policies and procedures, and approving draw requests. Grantor will provide design plans for 3- and 4-bedroom housing units for use and customization by the Awardee.



## 2. Eligible Activities

The activities deemed eligible by the US Department of Housing and Urban Development (HUD) under this CDBG-DR approved program are:

- Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4)
- New Housing Construction, as identified in Federal Register Docket No. FR-5989-N-01
- Housing Services, HCDA Section 105(a)(24)

## 3. National Objective

The national objective that must be met by this program to comply with the approved Action Plan Amendment is benefit to low- and moderate-income persons. The national objective is met upon home occupancy by an LMI household.

## 4. Eligible Applicants

The following criteria are required to meet eligibility under this NOFA:

### **Non-profit organization**

Applicant must be a nonprofit organization as, (A) described in section 501(c)(3) or 501(c)(19) of the Internal Revenue Code of 1986; and (B) exempt from tax under section 501(a) of such Code, including certified Community Development Housing Organizations (CHDOs) are eligible applicants for the OCHO program.

### **Contractor's License**

This project requires a license in the classification of Residential Construction and a Commercial license in the classification of Building Construction. RESPONSES TO THIS NOTICE SHALL BE ACCEPTED ONLY FROM CONTRACTORS WHO ARE LICENSED UNDER LA. R.S. 37:2150-2192 FOR THE CLASSIFICATIONS OF RESIDENTIAL CONSTRUCTION AND COMMERCIAL WITH A CLASSIFICATION OF BUILDING CONSTRUCTION. All Applicants are required to hold active licenses at the time of submission and must also show the license numbers on the outside of their application.

### **Good standing**

The applicant, and any co-applicant, together with the respective affiliates, must be in good standing with OCD which includes being current on all loan and/or grant obligations, have a satisfactory past performance history in all of their prior dealings with OCD, and are in full compliance with all contracts and reporting requirements involving CDBG funds (including Disaster Recovery, Mitigation, and National Disaster Resiliency) administered by OCD whether directly or through sub-recipients. Applicants not meeting the foregoing requirements shall be ineligible to apply for or receive funding under this NOFA. OCD may waive this requirement if prior to the application the applicants has entered a corrective action approved by OCD for all matters which are subject to correction.

## **Federal Debarment**

Pursuant to [24 CFR Part 5](#), all CDBG Grantees are required to verify that they and their principals, or any/all persons, contractors, consultants, businesses, sub-recipients, etc., that are conducting business with the Grantee are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction.

The following requirements may also affect applicant eligibility.

- Active Prime and Sub Recipient registration with SAM.gov
- No Outstanding Delinquent Federal Debts
- No Debarments and/or Suspensions

## **5. Eligible Jurisdictions**

The funding award made via this Notice of Funding Availability (NOFA) must be used to build affordable housing units only within the Audubon Estates development in Pointe Coupee Parish, Louisiana.

## **6. Program Budget**

Funding of up to \$5,000,000 is available through this NOFA. OCD expects to make one or multiple awards from the funds available under this NOFA to accomplish the program objectives. Grants will be competitively awarded.

The Program does not require any matching contribution, but the scoring criteria reflects consideration to those entities with ongoing experience and complementary programs to assist in the Program's success, as well as other funds which the Awardee leverages.

## **7. Affordability Requirements**

The Awardee must make homes available to households with incomes that are below 80% of area median income. Subject to HUD approval, Awardee may be allowed to offer homes to households earning up to 120% of AMI but must provide in their policies and procedures and Affirmative Marketing Plan how it will prioritize households below 80% AMI. It is anticipated that qualifying households will secure a first mortgage loan from a qualified insured lender towards the purchase of the home. This first mortgage will be made in relation to the homebuyer's qualifying income where the annual cost of the mortgage will be no more than 30% of the homebuyer's gross monthly income. Any difference between the sales price and the first mortgage loan will be satisfied with a forgivable second loan secured by a second priority mortgage or "soft second mortgage." Awardee, or a member of Awardee's project team, shall provide this forgivable second loan as "seller-financing" to qualified homebuyers, where applicable, to make homes affordable to LMI households.

## **8. Sales Price**

The sales price of the home shall be Fair Market Value (FMV) established by an appraisal, except where an exception is granted in writing by OCD. The appraisal shall establish FMV even when total development costs exceed the appraised value. All appraisals must be conducted in accordance with 49 CFR 24.103 and reviewed in accordance with 49 CFR 24.104.

### **Adjustments in Asking Price**

Awardee may make price reductions in the sale of the home only with the written approval of Grantor. In any case, Awardee may reduce asking prices only after making diligent and continuous efforts to market and sell the homes. If the price of a home has been reduced due to a lack of qualified offers after adequate marketing and sales efforts over a reasonable period of time (as described below), the reduced selling price will be considered Fair Market Value for purposes of calculating the development subsidy.

## **9. Marketing and Sale**

### **Responsibility for Marketing and Sales**

Awardee is fully responsible for marketing CDBG-DR funded homes and selling them to qualified homebuyers. Awardee shall submit an affirmative marketing plan as part of its Policies and Procedures deliverable as described below.

### **Marketing Plan and Budget**

Prior to marketing the first completed home, Awardee must obtain written approval from OCD for an affirmative fair housing marketing plan. The marketing plan will include the following elements:

- a. Methods of affirmative outreach to residents of target areas;
- b. Other means of advertising homes for sale, including such means as Multiple Listing Service, advertising, flyers, etc.; printed materials and advertisements must include equal opportunity language;
- c. Approved language for use in flyers, advertising and listings regarding income qualifications of buyers and financing being offered to buyers;
- d. Method and timing of prequalifying prospective buyers, in terms of OCHO program income eligibility and eligibility for mortgage financing;
- e. Policy for managing a waiting list of potential buyers;
- f. Sample disclosure statements to be given and explained to buyers prior to signing purchase agreements and at closing;
- g. Sample form of purchase contract;
- h. Provisions for establishing and adjusting sale prices.

The Awardee and each buyer are required to execute a written sales agreement for a CDBG-DR funded home, and the buyer must complete the application for financial assistance if needed. The information

obtained in the application will be used--along with verifications--to determine a buyer's eligibility to purchase a CDBG-DR funded home and to receive soft second financial assistance. Awardee will determine whether buyer appears to be qualified to obtain a first mortgage loan, based on the Buyer and any co-buyer's income, employment history, credit scores and other factors. Awardee will complete the income certification.

Awardee will use only a form of sales agreement approved by OCD. The sale of the home will be conditional upon the Buyer obtaining a first mortgage loan from a conventional or government-insured fixed-rate, 30-year home purchase loan from a third-party lender.

Awardee is responsible for the legal review of closing documents. Awardee, or their attorney, will have the final responsibility for review of closing documents, while ensuring compliance with OCD's requirements. The specific closing practices and responsibilities will be detailed in the Awardee's approved Policies and Procedures.

### **Confidentiality of Client Data**

Awardee will observe all Privacy Act requirements and keep buyer and potential buyer data secure via acceptable security protocols.

### **Conversion to Rental**

If the homes cannot be sold to qualified homebuyers after required steps are met, OCD may approve the Awardee's continued ownership of the unsold units for rental by Low to Moderate Income (LMI) households, at such rates approved by the state. Awardee must receive express written approval from OCD before marketing and/or entering into lease agreements to rent the developed homes to qualified LMI renters.

Any rental units would be subject to a 35-year use-restriction to maintain affordability to LMI renters unless or until sold under the affordable homeowner program requirements of this OCHO Program. While renters may utilize Section 8 vouchers to pay the rent under the program, the Awardee may not charge more rent than allowed under the OCHO Program.

Awardee must receive express written approval from the Grantor for any changes to its plan for sale or lease of each CDBG-DR funded home. For instance, if the Grantor previously approved a change from for sale to rental, the Awardee must receive approval if it wishes to change the home's use back to for sale and provide a plan demonstrating how any current tenants will not be displaced or otherwise negatively impacted by this change.

## **10. Soft Second Mortgage and Residency Requirements**

The Awardee is to ensure the provision and management of a soft second loan to assist the homebuyer in home affordability, subject to need. The soft second loan is to be provided as seller-financing by the Awardee and shall not be restricted in total amount or percentage but sized to fill the gap between the first mortgage and the sales price, should a gap exist.

The homebuyer is required to occupy the home as his/her primary residence until the 10-year forgivable period has expired. Buyers who move or sell prior to expiration will be obligated to repay a prorated portion of the soft second loan. Awardee shall be responsible for documenting that buyer is in compliance with this requirement on an annual basis.

The soft second loan shall be a 10-year, forgivable, 0% interest rate loan with no payments required while the buyer occupies the home as their primary residence. The repayment of any remaining, pro-rated amount on the loan shall become due if buyer sells, refinances, or no longer occupies the home as their primary residence before the end of the forgiveness period. This second mortgage shall be forgiven over the course of ten (10) years, at a rate of 10% per year, starting from the closing date. The detailed practices of the soft second loan forgiveness shall be detailed in the Awardee's approved Policies and Procedures.

#### **Determining the Soft Second Mortgage Loan Amount**

- The Awardee shall develop detailed policies and procedures for calculating the amount of the homebuyer's first mortgage and determining the amount needed, if any, in a soft second loan.
- The underwriting criteria in the policies and procedures shall ensure that the first mortgage has acceptable terms and conditions and is maximized along with any other sources of equity (such as gift funds) to minimize the amount of soft second mortgage.
- The sales price, inclusive of the soft second mortgage, must be made at the Fair Market Value.
- The house payment to gross monthly income ratio (Housing Ratio) for a 1st mortgage product must be 30%. This calculation is based on total household income.
- The Awardee shall also address how gift funds, grants or other contributions to the financing or equity used to purchase the home will be treated within its Policies and Procedures.

## **11. Program Income**

The Awardee may be allowed to reinvest program income, such as sales proceeds, rental proceeds, or otherwise, in eligible activities within the community and/or in additional affordable housing units. The amount of program income will be determined pursuant to [2 CFR 570.489\(e\)](#). Program Income may be available to the Awardee to perform additional CDBG-DR eligible activities. Grantor, at its sole discretion, will determine whether program income will be awarded to Awardee, how much will be awarded, and what eligible activities will be supported. Awardee will only use program income as approved in writing by Grantor during the period of performance in the CEA. After that period concludes, any remaining allocation to Awardee will expire. Such additional allocation amounts are subject to recapture and reallocation by Grantor if Awardee fails to perform in accordance with the agreed-upon delivery schedule. The Awardee will be required to make regular reports to OCD on

program income. Any Program Income which Awardee is not authorized to reinvest must be remitted to the Grantor on a schedule as directed by the Grantor.

## 12. Program Delivery Fee

The Awardee will be allowed use of up to 10% of the total award to cover its costs related to delivering the project. These costs are composed of expenses that are commonly considered the developer fee and may consist of staff time and expenses related to managing the design, permitting, development, construction, financing, marketing, and sale of the homes and may only be incurred on an actual, direct costs basis.

Fees and interest payments for lines of credit and construction loans are not eligible costs for reimbursement by Grantor with CDBG-DR funds and will not be counted toward the total cost basis of the redevelopment of the property.

## 13. Soft Costs

The direct costs of developing the housing units beyond construction costs, such as permit fees, architectural and engineering fees, and legal fees and costs commonly treated as “soft costs” are eligible uses of the awarded funds and shall be accounted for separately from the program delivery fee and closing costs. All services contracted by the Awardee that are to be supported by CDBG-DR funds must be procured following the [federal procurement regulations in 2 CFR 200](#).

## 14. Closing costs

Awarded funds cannot be used to cover the closing costs of each sales transaction as it is intended that all grant proceeds will be used to finance the hard and soft construction costs of the Project as further described in the Grant Agreement. However, Awardee may include in its Policies and Procedures a process by which closing costs are paid from the sales proceeds from the sale of an individual home. Closing costs as described herein may include reasonable fees allowed by the FHA lender, prepaid taxes and insurance, recording fees, and the up-front mortgage insurance premium.

## 15. Down Payment Assistance

Awarded funds cannot be used to cover down payment assistance. However, the Awardee may provide or facilitate down payment assistance from other sources to eligible homebuyers to the maximum extent allowable under HUD and FHA regulations.

## 16. Architectural Drawings

The Grantor will provide design drawings, to be finalized into construction documents by the Awardee, to be used in the development of the affordable homes funded by the award. This benefit should reduce the soft costs of the development and should be reflected in the applicant’s proposed budget. The Grantor will provide design drawings for 3- and 4- bedroom homes. The Awardee will be responsible for developing these designs further into final plans and construction documents for each home to be

constructed and shall also develop a 2-bedroom design that meets the construction standards and matches the design aesthetic of the 3- and 4-bedroom homes. All final plans are subject to approval by Grantor.

## 17. Environmental Review

Grantor will provide the Awardee with a completed Part 58 environmental review performed by the Louisiana Land Trust as part of the development of the entire development site. This benefit should reduce the soft costs of the development and should be reflected in the applicant's proposed budget.

## 18. Minimum Construction Standards

The Awardee must ensure that all CDBG-DR funded homes are constructed under the OCHO program standards as well as meeting all applicable State or local building codes, ordinances, and requirements. Accessibility features must comply with HUD's Physical Accessibility Requirements. The list below details the building features and appliances that must be included in the design and construction of every CDBG-DR funded home.

### Required Resilient Building Features

- Energy Star Version 3 Certified
- Fortified™ Roof Certification (not Fortified™ Home Certified)
- First Floor Elevation above Highest Adjacent Flood Plain
- House Elevated on Pilings 3 Feet Above Grade and No Fill
- Spray Foam Insulation Throughout House
- Unvented Attic – Semi-Conditioned Space
- Air Seal Envelope Construction Including Taped Joints
- Air Exchange Unit (as required by Energy Star)
- Dehumidification (as required)
- High Efficiency HVAC
- High Efficiency Water Heater
- Energy Star Rated Appliances
- Fiber Cement Siding (Hardy Plank)
- Ceramic Tile & Vinyl Plank Resilient Flooring
- Synthetic Roof Underlayment with Taped Joints
- Wind Rated Roof Shingles
- Composite Exterior Deck Material
- Borate Treated Lumber (Insect and Mold Prevention)
- Hard Surface Countertops
- Low Flow Water Fixtures
- High Efficiency LED Lighting Throughout
- Gas Cooktop and Stove
- High Efficiency Windows and Doors (Double Pane)

## **Energy Star Certified Appliances**

- Side-by-side Refrigerator
- Gas Stove
- Dishwasher
- Clothes Washer
- Clothes Dryer
- Garbage Disposal

## **19. Additional Requirements: Program Specific Reporting and Homebuyer Counseling**

### **Program-Specific Reporting Requirements Performance Reporting**

Awardee is required to report achievement of outcomes at least quarterly, or more frequent as specified by Grantor, under the purpose of the program and the work plan in the CEA.

### **Homebuyer Counseling**

Homebuyer counseling and financial literacy training for potential homebuyers must be provided by the Awardee or in partnership with another organization to support the approval of housing finance and mortgage assistance. In the case that these services will be provided by a partner, the Awardee must demonstrate that it is an established partnership for providing homebuyer counseling services with proven success. The Awardee will be requested to provide evidence of, including documentation describing the level of homebuyer counseling, including post purchase counseling. Homebuyer counseling costs are eligible for reimbursement under the 10% developer fee.

## **20. Standard Agreements**

Awardees will enter into a standard OCD Cooperative Endeavor Agreement (CEA) and such other documents as required which more fully detail the terms and conditions of the award.

## **21. Scoring Criteria**

The criteria that will be used to assess, rank, and determine awards to applicants is as follows:

### **1. Applicant's organizational experience and performance history – 30 points**

The applicant will provide details on completed projects demonstrating the organization's success in the development and sale of affordable housing. Specifically, the applicant should show where it has completed similar projects and where it has delivered homebuyer training and housing counseling services as part of the project's success, either directly or through a partnership. For each project, applicant should include:

- The address of the completed project
- The year the project was completed



- The total number of units and the number of affordable units developed
- The level of affordability (% AMI of buyers eligible to purchase the homes)
- The organization's personnel who worked on the project
- The amount and source of federal funds used in the project, if any
- A reference of a client or partner involved in the project
- Images of the completed project

Points in this category will be awarded as follows:

- Demonstrated success in the development and sale of single-family affordable housing units to income-restricted buyers. (20 points)
- Delivery of homebuyer training and counseling services to low-income homebuyers either directly or in partnership with a housing counseling agency. (10 points)

## **2. Personnel qualifications – 10 points**

The applicant will provide the resumes and work experience of each of the proposed individual that will support the delivery this project. For each proposed individual, the applicant should include:

- Years of experience with organization
- Years of experience developing affordable housing, providing housing counseling services, or other relevant experience
- Proposed role on this project
- Previously completed projects and role on each project
- Prior relevant experience
- Formal education, professional training and certifications, and other relevant experience

Points in this category will be awarded as follows:

- Depth of experience, qualifications, and demonstrated success of proposed personnel (10 points)

## **3. Proposed budget and schedule – 30 points**

Applicants will provide a detailed development budget and schedule detailing how the applicant will implement the development project. For the budget, applicant should include a detailed sources and uses table for all proposed funding, including both OCD funds and any additional investment, including in-kind support, and estimated program income. For the project schedule, applicant should show a week-by-week or month-by-month detail of the major actions to be taken by the applicant, partners, and Grantor, in the implementation, and should clearly show the construction time period, marketing period, when sales will begin and when they will be completed. The schedule shall include any proposed phasing for the development project.

Points in this category will be awarded as follows:

- Detailed development budget (15 points)
- Detailed development schedule (15 points)

#### **4. Resilient and sustainable construction methods and materials – 10 points**

Applicant will detail any additional construction methods, materials, or amenities proposed beyond the minimum required construction standards that reduce the home's operating costs, utility costs, environmental impact, or increase its disaster resilience. For each building material or feature, the applicant will include example product images or design drawings, any technical or industry certification, the benefits of the element and any additional cost related to using each element.

Points in this category will be awarded as follows:

- Additional resilience and sustainable construction materials and methods (10 points)

#### **5. Community benefits and amenities – 20 points**

The applicant will detail any proposed actions to provide additional community amenities and benefits through this project and the potential investment of program income. In each case, the application will include the details demonstrate its ability to deliver these activities and the specific proposed activities such as opportunities for workforce training, a community facility as part of the development, and/or other similar benefits to be provided through OCD's investment in these affordable housing units. In addition, the applicant will include a proposed reinvestment plan for anticipated program income.

Points in this category will be awarded as follows:

- Demonstrated ability and proposed plan to provide community amenities and benefits through the development project (10 points)
- Demonstrated ability and proposed plan to reinvest program income in additional affordable housing units or other CDBG-eligible activities (10 points)

## **E. Federal Program Requirements**

All applicants shall comply with the following:

- Environmental clearance\*
- Davis Bacon Prevailing Wage
- Uniform Residential Requirements as applicable
- Accessibility
- Nondiscrimination
- Section 3
- Procurement in Compliance with 2 CFR 200

#### **Environmental Clearance**

Projects may proceed to secure all Environmental Site Assessment reports prior to award and prior to closing. *However, no choice limiting actions, including, but not limited to, physical work or activity, may start until environmental clearance is obtained. All prohibitions regarding 'choice limiting actions' will apply, rendering the award void and applicant ineligible for award.*

### **Davis Bacon Prevailing Wage Compliance**

If CDBG-DR Funds are awarded, the project budget costs must be based on the prevailing wage rates. The then-current wage rates must be attached to the construction contract and accepted by the general contractor prior to closing.

### **Accessibility Requirements**

All funded projects must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined at 24 CFR 100.201, and must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619). These requirements must be met for the entire affordability period.

### **Nondiscrimination Requirements**

The Sponsor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Sponsor agrees not to discriminate in its employment practices, and will render services under this Contract without discrimination on the basis of applicable protected classes.

The Awardee will ensure compliance with federal cross cutting requirements as applicable, to include NEPA, Section 3, Affirmatively Furthering Fair Housing, procurement (2 CFR 200).

### **Section 3**

A Section 3 Project, as defined at 24 CFR 75.3(a)(2)(i) applies to housing construction assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000.

### **Procurement – 2 CFR 200**

Grant awards under this NOFA will be subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200, as may be amended from time to time.

- The Awardee must demonstrate to the satisfaction of the Grantor that it is in compliance with the financial management requirements at 2 CFR §200, including the single audit requirements of 2 CFR §200.501.
- The Awardee must provide the Grantor with its most recent single audit, if applicable. If the Applicant has open single audit findings and does not have a plan or agreement to remediate those findings, the Applicant will be deemed ineligible for funding through the OCHO Program until the findings are resolved or a remediation plan or agreement is established.

OCD will not award any CDBG funds to applicants that are debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation from federally assisted programs.

Applicants are responsible for providing proof that all program partners, subrecipients, contractors, and any other program participants, current or future, are not debarred. Applicants must provide proof from the federal [System for Award Management](#) that the applicant, all application partners, and any subrecipients, developers, consultants, and contractors participating in the application, the potential administration of the award, or the potential implementation of the activity are not debarred.

## F. General Terms

### **NOFA Amendments or Cancellations**

OCD reserves the right, at its sole discretion and at any time, to rescind, suspend or amend this NOFA and any or all of its provisions. If such an action occurs, OCD will post the notice of the action on its website and email notice of the action to persons that submitted questions during the question and answer period or submitted an application to the NOFA.

### **Availability of Funds**

Applicants and awardees acknowledge that the funding opportunities referenced in this NOFA, and all obligations of OCD herein, are expressly subject to and conditioned upon the ongoing availability of funds, as well as the continued authority of OCD to operate this Program. If funds are not available to fund any, or all, activities offered herein, or if the OCD's authority to operate this program or act under this NOFA is eliminated, or in any way restricted, OCD shall have the option, at its sole discretion, to amend, rescind, suspend, or terminate this NOFA and any associated funding pursuant to the provision set forth immediately above. This NOFA is not a commitment of funds to any activity or applicant.

### **Applicant Responsibility**

It is the applicant's responsibility to ensure that the application submitted is clear, complete, and accurate. After the application submittal deadline, OCD may request clarifying information, provided that such information does not affect the competitive ranking of the application. No information will be solicited or accepted if such information results in a competitive advantage to an applicant.

### **Eligible Uses**

CDBG-DR Funds awarded under this NOFA will only reimburse eligible costs incurred to develop a project. No CDBG-DR Funds will be paid in advance to reimburse a project cost unless the electronic Funds Requisition Form with back-up AIA certification, invoices and receipts are submitted and approved. No funds will be disbursed until all funding commitments and grant agreements are signed, and environmental conditions are satisfied.

Purchases from affiliated persons or entities must be supported with an appraisal, acceptable to the OCD in its sole discretion. Construction / Rehabilitation costs must be included as a budgeted item and funds must be drawn on a *pari passu* basis with other construction-period funding sources.

### **Ineligible Uses**

CDBG-DR will not be disbursed for any costs enumerated at 24 CFR §570.207, with the exception of those costs which are permitted under the state's waiver, which permits the use of CDBG-DR funds for new construction activities.

**Strictly Enforced Deadlines**

OCD will **strictly adhere** and impose deadlines for committing and expending CDBG-DR fund awards under this NOFA based upon the activity proposed and other information provided in the application. Any CDBG-DR funds not committed or expended within the timeframes included in the loan agreement documents may be recaptured by the Grantor. Projects must adhere to the following:

- CDBG-DR awards may be terminated at any time prior to the CDBG-DR award expiration date due to the absence of project productivity. CDBG-DR funds advanced prior to the termination of a project (whether voluntary or involuntary) must be repaid to the OCD.
- Applicants must submit a project schedule in their application submission and must adhere to the project schedule included in their application submission. Adherence to the schedule will also be a formal requirement of any award.